

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor
Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and
Dynamic Rates, and Other Statutory
Obligations

R.12-06-013 (Phase 1)

**SUPPLEMENTAL FILING OF
PACIFIC GAS AND ELECTRIC COMPANY FOR
LONG-TERM RESIDENTIAL ELECTRIC RATE DESIGN
REFORM (PHASE 1)**

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Dated: February 28, 2014

Attorneys for
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I. INTRODUCTION

In this Supplemental Filing, Pacific Gas and Electric Company (PG&E) presents its Long-Term Residential Electric Rate Design Reform (Long-Term Rate Design Reform) proposals pursuant to the February 13, 2014, Assigned Commissioner's Ruling Requiring Utilities to Submit Phase 1 Rate Change Proposals (ACR) in this proceeding.^{1/} PG&E requests that the California Public Utilities Commission (Commission) adopt these proposals to revise PG&E's residential electric rate design for the period 2015 – 2018. PG&E's proposals provide significant relief for those customers currently burdened by the existing inequitable rate design. PG&E's proposals also make the rate structure simpler and more understandable for all customers.

PG&E's proposals comply with the requirements of the February 13, 2014 ACR and are consistent with the new authority granted to the Commission to reform residential electric rate design in Assembly Bill (AB) 327, landmark legislation passed by the California Legislature and signed into law by Governor Brown in October, 2013.^{2/} PG&E's proposals include many elements that are consistent with the recommendations of the Commission's Energy Division in its January 3, 2014, "*Staff Proposal for Residential Rate Reform in Compliance with R.12-06-013 and Assembly Bill 327.*"

PG&E's long term rate design reform proposals build on its interim summer 2014 electric rate reform proposals in Phase 2 of this proceeding, and advance the overall rate design changes that are ultimately needed to fully effectuate the Legislature's intent in AB 327.

II. OVERVIEW OF PG&E'S LONG TERM RESIDENTIAL ELECTRIC RATE DESIGN REFORM PROPOSAL

On January 28, 2014, in Phase 2 of this proceeding, PG&E filed amended Summer 2014 rate design proposals that take a first step in beginning to implement much-needed residential electric rate reform. Phase 2, which is pending before the Commission, is expected to be

^{1/} *Assigned Commissioner's Ruling Requiring Utilities to Submit Phase 1 Rate Change Proposals* ("ACR"), R.12-06-013, February 13, 2014.

^{2/} Assembly Bill (AB) 327 (Perea), Stats. 2013, Chapter 611.

adopted before the summer of 2014. PG&E's Phase 2 proposed rates, once approved, will be in effect until such time as the CPUC authorizes the longer-term rate reforms requested here in PG&E's Phase 1 Supplemental Filing. In this Phase 1 Supplemental Filing, PG&E proposes to take the next important step to begin to implement electric rate design reforms consistent with those summarized in PG&E's Electric Rate Design Reform Proposal filed in this proceeding on May 29, 2013 and further discussed in PG&E's comments on rate design proposals on July 12 and 26, 2013. PG&E recognizes that changes must be made gradually during the transition period in order to allow customers adequate time to understand, choose, and adapt to the new rate design pricing structures. Specifically, PG&E's Phase 1 filing proposes a gradual process for reducing the number of tiers and narrowing the differential between the top and bottom tier non-CARE rates, and proposes a similarly gradual process for steadily decreasing PG&E's CARE discount percentage in small steps to reach the 30 to 35 percent range required by AB 327 by the end of the 2014-2018 transition period.^{3/} Specifically, PG&E's proposal has four primary objectives:

- Introduce a monthly service fee in 2015 to cover a portion of fixed costs in a more equitable manner, and over the transition period move it closer toward a cost-based level;
- Reduce the number of usage tiers over the four-year transition period from four to two, and significantly reduce the differential between the top-tier and bottom-tier rates to establish a more appropriate gradual differential;^{4/}
- Gradually but steadily reduce PG&E's average CARE discount percentage over the transition period so that in 2018 it reaches the 30 to 35 percent range mandated by AB 327; and
- Introduce a voluntary non-tiered time-of-use (TOU) rate option to offer customers

^{3/} Public Utilities Code Section 739.1(c)(2). "CARE" means the California Alternate Rates for Energy program.

^{4/} Public Utilities Code Section 739(d)(1). The number of tiers on CARE rate schedules would be reduced from 3 to 2.

more understandable and meaningful rate plan choices, and by January 1, 2016 phase out and eliminate the existing tiered TOU and seasonal rates.

Table 1 below shows the proposed transition path for PG&E's standard tiered rates (Schedules E-1 and EL-1):

TABLE 1
PACIFIC GAS AND ELECTRIC COMPANY
RATE STRUCTURE TRANSITION FOR STANDARD SCHEDULES E-1 AND EL-1

Objectives	2015	2016	2017	2018
1. Monthly Service Fee(a)				
1.1 Non-CARE	\$5	\$10	\$10.21(a)	\$10.42(a)
1.2 CARE	\$2.50	\$5.00	\$5.11(a)	\$5.21(a)
2. Fewer and Narrower Tiers	Reduce number of tiers from four to three	Retain three tiers	Retain three tiers	Reduce number of tiers to two, with 1.2:1 tier price ratio
3. Reduce CARE Discount	43%	39%	36%	35%

(a) AB 327 allows up to a \$10 (\$5 for CARE) monthly service fee. After the monthly service fee reaches these levels, AB 327 allows for increases tied to changes in the Consumer Price Index (CPI). This table shows an illustrative monthly service fee assuming an annual 2.1 percent increase in the CPI, per the direction provided in the February 13, 2014 ACR. The actual CPI may be different at the time these fees go into effect.

PG&E is proposing a “glide path” of gradual rate changes over time in order to achieve all of these objectives by 2018 with consideration of the bill impacts on affected customers. These proposed changes would apply in an analogous fashion to PG&E's existing voluntary rate options, as well as the standard rate Schedules E-1 and EL-1.^{5/}

The gradual nature of PG&E's proposed rate changes for non-CARE and CARE customers result in acceptable levels of bill impacts. PG&E will undertake appropriate customer outreach and education to the most affected customers to help minimize confusion and inform customers of their options under the changed rates. PG&E will include its customer education and outreach plan and related expenditures and incremental revenue requirements in its March 21, 2014, responses to Commission questions as required by the February 13, 2014, ACR.

As noted above, in addition to these proposed changes to the structure of its standard tiered rates, PG&E is proposing to introduce a new voluntary (opt-in) TOU rate without tiers,

^{5/} The specific analogous changes proposed for each of PG&E's voluntary rate options are described in Chapter 2, Sections F and G.

Schedule E-TOU, with a discounted version for CARE households. These non-tiered TOU rates are more cost-based than PG&E's current four-tiered rate schedules, and will be easier for customers to understand.

PG&E is also proposing a number of changes to certain other tiered rate options which are described in Chapter 2 of its prepared testimony, either to make them more cost-based or to adjust discounts for particular rate schedules. For example, the discounts or credits currently provided to customers taking service on the Medical Baseline, Federal Energy Rate Assistance (FERA), and SmartRate™ (i.e., Critical Peak Pricing (CPP)) programs are currently based on a four-tiered rate structure. Since PG&E's proposal is to reduce the number of tiers, PG&E has proposed new ways of providing the discounts that result in roughly the same level of aggregate benefits to participants in those programs.^{6/}

PG&E's proposed rate changes will provide significant benefits to those upper tier-consuming households who have been burdened over the past 13 years by very high rates well in excess of cost of service, while moderating the bill increases seen by lower-tier consuming households and households participating in the CARE program over a reasonable transition period.

In accordance with the ACR, PG&E's prepared testimony supports this Supplemental Filing and includes appendices that (1) Provide illustrative rates for the 2015- 2018 period under three scenarios: (a) no additional revenue requirement change and assuming PG&E's proposal in its 2012 Rate Design Window (RDW) proceeding to reduce baseline quantities to 50 percent of historical average usage is approved, (b) revenue requirements increased by 2.1% per year and assuming PG&E's 2012 RDW proposal is approved, and (c) revenue requirements increased by 2.1% per year and assuming PG&E's 2012 RDW proposal is not approved and baseline quantities remain at 55 percent of historical average usage; (2) Bill impact results using the

^{6/} Per the February 13, 2014 Assigned Commissioner's Ruling (ACR), PG&E's proposal does not cover issues like the CARE program structure, TOU period definitions, or customer outreach including enabling technologies. These issues are to be considered either in a later phase of this rulemaking or in different proceedings. (See ACR, p. 6.).

format developed in Phase 2 of this proceeding; (3) Work papers demonstrating compliance with the CARE effective discount requirements; and (4) Answers to Questions 1 through 25 in Appendix A of the ACR. Separately, in accordance with the ACR, PG&E has provided its inventory of all residential rate tariffs and other issues that must be resolved in this proceeding, and will provide answers to the remaining questions in Appendix A of the ACR by March 21, 2014, as well as any necessary supplemental testimony. PG&E's prepared testimony is being served, along with this Supplemental Filing, on the service lists for both R.12-06-013 and PG&E's pending 2014 General Rate Case Phase II (A.13-04-012).

This Supplemental Filing does not request any changes in PG&E's adopted revenue requirements, but requests Commission authority to revise PG&E's retail rates as authorized revenues change, in accordance with the principles discussed in the accompanying testimony. The overall effect of PG&E's proposals in this Supplemental Filing, once approved, will be applied to PG&E's then-current authorized revenues, incorporating any revenue increases and revenue changes from other Commission or Federal Energy Regulatory Commission (FERC) proceedings. Application of the same rate design methods approved in this proceeding to a changed revenue requirement will produce rates different from those that are shown for illustrative purposes here.

PG&E is not proposing any changes in its currently approved revenue allocation to the residential customer class for purposes of this proceeding. The subject of updating revenue allocation is currently pending in PG&E's 2014 General Rate Case (GRC) Phase II application.^{7/} PG&E expects that any resulting revenue allocation changes approved in its GRC Phase II case will be implemented separately from the adoption of its rate reform proposals here. Although most rate components will not change, certain functional rate components will change, most notably the CARE surcharge portion of Public Purposes Program (PPP) rates, since the CARE discount will be reduced. The resulting impact would be a reduction to the current subsidy paid

^{7/} PG&E filed its 2014 GRC Phase II Application on April 18, 2013 (A.13-04-012).

by non-residential customers through their PPP surcharge.

As a result of these changes, total bundled rates will change. PG&E's proposed rate changes for Schedules E-1 and EL-1 are illustrated in Table 2 below. The proposed bundled rates shown in Table 2 for PG&E's standard tiered rate schedules are calculated using PG&E's current revenue requirement as of February, 2014 and assuming a 2.1 percent annual growth in revenue requirement through the transition period. Actual rates will vary depending on authorized revenue requirements.

TABLE 2
PACIFIC GAS AND ELECTRIC COMPANY
PRESENT AND PROPOSED STANDARD RESIDENTIAL RATES
SCENARIO B: ASSUMING 2.1 PERCENT GROWTH IN REVENUE REQUIREMENT

Non-CARE Rates	Current (Jan 2014)	Current (SB 695- Adjusted)	Proposed (Assuming 2.1 Percent Growth in Revenue Requirement)				
			Summer 2014	2015	2016	2017	2018
Monthly Service Fee	NA	NA	NA	\$5.00	\$10.00	\$10.21	\$10.42
Energy Charges							
0 to 100% of BQ	\$0.132	\$0.136	\$0.147	\$0.147	\$0.147	\$0.162	\$0.177
100% to 130% of BQ	\$0.150	\$0.155	\$0.170	\$0.202	\$0.202	\$0.202	\$0.212
130% to 200% of BQ	\$0.324	\$0.314	\$0.249	\$0.202	\$0.202	\$0.202	\$0.212
Over 200% of BQ	\$0.364	\$0.354	\$0.309	\$0.304	\$0.274	\$0.245	\$0.212

CARE Rates	Current (Jan 2014)	Current (SB 695- Adjusted)	Proposed (Assuming 2.1 Percent Growth in Revenue Requirement)				
			Summer 2014	2015	2016	2017	2018
Monthly Service Fee	NA	NA	NA	\$2.50	\$5.00	\$5.11	\$5.21
Energy Charges							
0 to 100% of BQ	\$0.083	\$0.086	\$0.091	\$0.097	\$0.103	\$0.112	\$0.121
100% to 130% of BQ	\$0.096	\$0.099	\$0.104	\$0.118	\$0.124	\$0.136	\$0.145
130% to 200% of BQ	\$0.140	\$0.140	\$0.148	\$0.118	\$0.124	\$0.136	\$0.145
Over 200% of BQ	\$0.140	\$0.140	\$0.148	\$0.148	\$0.148	\$0.148	\$0.145

Because direct access (DA) and community choice aggregation (CCA) customers also pay rates for distribution, CIA and PPP, these customers will be affected by PG&E's proposals. In addition, departing load customers will be affected by the change to PPP rates to the extent they are required to pay these rates.

III. REGULATORY BACKGROUND AND AUTHORITY FOR PROPOSALS

The February 13, 2014, ACR expressly requires utilities to file residential electric rate change proposals for post-2014 residential rate designs in the ratesetting phase of Rulemaking (R.) 12-06-013 (Phase 1). The ACR requires, at page 4, that the utilities' Phase 1 rate design proposals:

"[M]ust be consistent with the statutory requirements that changes be made through a reasonable phase-in schedule relative to rates in effect prior to January 1, 2014, that differentials between tiers should be gradual, that rates not unreasonably impair incentives for conservation and energy efficiency and that rates not overburden low income customers. (California Public Utilities Code Sections 739.9(b); 739(d)(1); 739(e).) In addition, if an electrical corporation provides an average effective CARE discount in excess of the 30-35% maximum, such discount must not be changed by more than a reasonable percentage each year. (Section 739.1(c)(2).)"

Accordingly, PG&E's Supplemental Filing is authorized by the ACR, AB 327, and the ratemaking authority of the Public Utilities Code.

IV. ORGANIZATION OF PG&E'S LONG TERM RESIDENTIAL ELECTRIC RATE DESIGN REFORM FILING

The details of PG&E's rate design proposals are set forth in the prepared testimony that accompanies this Supplemental Filing. PG&E's testimony consists of one exhibit, which is contained in one bound volume accompanying this Application, organized as follows:

Exhibit (PG&E-1): Long Term Residential Electric Rate Design Reform. This exhibit describes PG&E's proposals for designing the rates for residential electric customer groups in order to deliver rate relief to those customers during the period 2015- 2018 and beyond, and consists of the following chapters:⁸

Chapter 1 – Long Term Residential Rate Design Reform Policy

Chapter 2 – Long Term Residential Rate Design

Appendix A-1: Illustrative Rates Assuming 2.1% Growth in Revenue

Requirement and 50% Baseline Quantities

Appendix A-2: CARE Effective Discount Assuming 2.1% Growth in Revenue

⁸ PG&E is in the process of completing the bill comparison using the Energy Division approved format for Appendices A-4, B-4 and C-4, and will serve these appendices by March 7, 2014, as a separate exhibit to the prepared testimony.

Requirement and 50% Baseline Quantities

Appendix A-3: Year-to-Year Bill Comparison Using PG&E's Standard Format:

At Illustrative Rates Assuming 2.1% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix A-4: Bill Comparison Using Energy Division Format: At Illustrative Rates Assuming 2.1% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix B -1: Illustrative Rates Assuming 0% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix B-2: CARE Effective Discount Assuming 0% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix B-3: Year-to-Year Bill Comparison Using PG&E's Standard Format: At Illustrative Rates Assuming 0% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix B-4: Bill Comparison Using Energy Division Format: At Illustrative Rates Assuming 0% Growth in Revenue Requirement and 50% Baseline Quantities

Appendix C-1: Illustrative Rates Assuming 2.1% Growth in Revenue Requirement and 55% Baseline Quantities

Appendix C-2: CARE Effective Discount Assuming 2.1% Growth in Revenue Requirement and 55% Baseline Quantities

Appendix C-3: Year-to-Year Bill Comparison Using PG&E's Standard Format: At Illustrative Rates Assuming 2.1% Growth in Revenue Requirement and 55% Baseline Quantities

Appendix C-4: Bill Comparison Using Energy Division Format: At Illustrative Rates Assuming 2.1% Growth in Revenue Requirement and 55% Baseline Quantities

Appendix D: PG&E Responses to Assigned Commissioner Ruling Rate Design
Questions 1-25

Appendix E: Statement of Qualifications

V. WORKPAPERS

Workpapers supporting PG&E's testimony will be provided upon request. Requests for workpapers should be directed to: Catherine Tarasova, Long-Term Residential Electric Rate Design Reform (Phase 1) Case Manager, telephone (415) 973-5461, e-mail yxt5@pge.com. PG&E intends to request inclusion of many of the workpapers into the record of this Phase 1 proceeding. Therefore, when PG&E's witnesses adopt their prepared and rebuttal testimony, they may also sponsor and adopt their workpapers, or portions thereof.

VI. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Service (Rules 1.9 And 1.10)

This Supplemental Filing and the accompanying prepared testimony comply with the requirements of form and process contained in the Commission's Rules of Practice and Procedure and the February 13, 2014, ACR. This Supplemental Filing is being served by email on all parties on the official service list in PG&E's 2014 GRC Phase II proceeding (A.13-04-012) as well as the CPUC's Residential Rate Reform Rulemaking (R.12-06-013).

B. Verification (Rules 1.11 And 2.1)

The required verification is attached to this Supplemental Filing.

C. Legal Name And Principal Place Of Business (Rule 2.1(a))

The legal name of the entity making this Supplemental Filing is Pacific Gas and Electric Company. Its principal place of business is San Francisco, California. Its mailing address is Post Office Box 7442, San Francisco, California 94120. Since October 10, 1905, Pacific Gas and Electric Company has been an operating public utility corporation organized under the laws of the State of California.

D. Correspondence And Communication (Rule 2.1(b))

PG&E's attorneys in this matter are Christopher J. Warner and Gail L. Slocum. All correspondence and communication regarding this Supplemental Filing should be addressed to:

Christopher J. Warner
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Pacific Gas and Electric Company
Mail Code B30A
P.O. Box 7442
San Francisco, CA 94120-7442
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PG&E requests that correspondence and communications regarding this Supplemental Filing also be directed to:

CPUC Law Filing
Pacific Gas and Electric Company
77 Beale Street B30A
San Francisco, CA 94105
Email: cpuccases@pge.com

E. Proposed Categorization (Rule 2.1(c))

PG&E proposes that this Supplemental Filing be categorized as a rate setting proceeding, consistent with the ACR and other rulings in this proceeding.

F. Need For Hearing (Rule 2.1(c))

Although formal evidentiary hearings may not be needed, PG&E intends to explore the possibility of settlement and looks forward to informal workshops on some or all of the issues raised in this Supplemental Filing.

G. Issues To Be Considered (Rule 2.1(c))

The key issues presented in this proceeding are discussed in Sections II and III above and set forth in much greater detail in the accompanying prepared testimony. Stated generally, the issues to be considered include:

1. Are PG&E's long-term residential electric rate design reform proposals and rates reasonable and should they be adopted?

2. Are PG&E's long-term residential electric rate design reform proposals and rates consistent with the rate design principles included in rulings in R.12-06-013 and consistent with the guidelines set forth in the ACR mandating this Supplemental Filing?
3. Are PG&E's long-term residential electric rate design reform proposals and rates consistent with the statutory requirements of AB 327 and other provisions of the Public Utilities Code?

H. Proposed Schedule

PG&E generally concurs with the schedule for rate design change supplemental filings in Phase 1 that was included in the February 13, 2014, ACR, with one modification shown in bold below:

Event	Date
Supplemental Filings for Phase 1 rate change proposals	February 28, 2014
Prehearing conference	March 14, 2014
Answers to ACR Questions 26-39 and related testimony	March 21, 2014
Supplemental Utility Testimony (if necessary)	April 11, 2014
Intervenor Testimony	May 16, 2014
Rebuttal Testimony	June 6, 2014^{9/}
Evidentiary Hearings	June/July 2014
Opening Briefs	August 15, 2014
Reply Briefs	August 29, 2014
Proposed Decision	October 21, 2014

I. Articles Of Incorporation (Rule 2.2)

PG&E is, and ever since October 10, 1905, has been an operating public utility corporation, organized under California law. It is engaged principally in the business of

^{9/} Given the large number of parties and significant issues to be covered, PG&E recommends a slightly later deadline for preparation and service of rebuttal testimony. No change to the hearing or briefing schedule would be required to accommodate this later deadline.

furnishing electric and gas services in California. A certified copy of PG&E's Restated Articles of Incorporation, effective April 12, 2004, is on record before the Commission in connection with PG&E's Application 04-05-055, filed with the Commission on May 3, 2004. These articles are incorporated herein by reference pursuant to Rule 2.2 of the Commission's Rules.

J. Balance Sheet And Income Statement (Rule 3.2(a) (1))

PG&E's most recent balance sheet and income statement are being filed February 28, 2014 in PG&E's Application for Compliance Review of Utility Owned Generation Operations, Electric Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Retained Generation Fuel Procurement, and other Activities for the Period January 1 through December 31, 2013, application number to be assigned, and are incorporated by reference herein.

K. Statement Of Presently-Effective Rates (Rule 3.2(a)(2))

PG&E's presently effective electric rates are being filed February 28, 2014 in PG&E's Application for Compliance Review of Utility Owned Generation Operations, Electric Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Retained Generation Fuel Procurement, and other Activities for the Period January 1 through December 31, 2013, application number to be assigned, and are incorporated by reference herein.

L. Statement Of Proposed Increases (Rule 3.2(a)(3))

The proposed illustrative rates are shown in Appendices A, B and C to Exhibit (PG&E-1). The purpose of the rate design proposals in this Supplemental Filing is to modify rate design and effect any resulting changes to revenue allocation, but not to increase the overall level of PG&E's electric revenues, or to pass through to customers any increased costs to PG&E for the services or commodities furnished by it.

M. Property And Equipment (Rule 3.2(a)(4))

A general description of PG&E's Electric Department and Gas Department properties, their original cost, and the depreciation reserve applicable to such property and equipment, was

filed with the Commission on November 15, 2012, as Exhibit E to PG&E's 2014 GRC Phase I, Application 12-11-009, and is incorporated herein by reference.

N. Summary Of Earnings (Rule 3.2(a)(5) and (6))

A summary of recorded year 2012 revenues, expenses, rate cases and rate of return for PG&E's Electric and Gas Departments was filed with the Commission on September 30, 2013, as Exhibit D of Application 13-09-015, and is incorporated herein by reference.

O. Depreciation Method (Rule 3.2(a)(7))

PG&E's statement of the method of computing the depreciation deduction for federal income tax purposes was filed with the Commission on November 15, 2012, as Exhibit G to PG&E's 2014 GRC Phase I Application, A. 12-11-009, and is incorporated herein by reference.

P. Proxy Statement (Rule 3.2(a)(8))

PG&E's most recent proxy statement dated March 25, 2013 was filed with the Commission on April 18, 2013, as Exhibit A of Application 13-04-012, and is incorporated herein by reference.

Q. Type Of Rate Change Requested (Rule 3.2(a) (10))

The proposed rate changes sought in this Supplemental Filing reflect and pass through to customers the costs PG&E incurs to own and maintain its gas and electric plant and to enable PG&E to provide service to its customers.

R. Service and Notice of Proposals (Rule 3.2(b)-(d))

PG&E is concurrently serving this Supplemental Filing and attachments, or a Notice of Availability of this Supplemental Filing and attachments, on all parties on the official service lists in its 2014 GRC Phase II proceeding (A.13-04-012) as well as in R.12-06-013. Within twenty (20) days after filing this Supplemental Filing, PG&E will mail or send electronically a notice stating in general terms the proposed revenues, rate changes and ratemaking mechanisms requested in this Supplemental Filing to the parties listed above. Within twenty (20) days, PG&E will also publish in newspapers of general circulation in each county in its service territory a notice of the filing of this Supplemental Filing and of proposed changes in rates.

Within twenty (20) days after filing this Supplemental Filing, PG&E will mail to the Attorney General of California, the Department of General Services, and the city and county governments within PG&E's service territory a notice of the filing of this Supplemental Filing and of proposed changes in rates. A list of the cities and counties to which the notice will be sent is attached to this Supplemental Filing as Exhibit A. Within 45 days after filing this Supplemental Filing, PG&E will also include notices of the proposed changes in rates with the regular bills mailed or e-mailed to all customers affected by the proposed changes.

VII. CONCLUSION

PG&E is ready to proceed with its showing as of the date of this filing, based on the testimony of witnesses regarding the facts and data contained in the accompanying exhibits in support of the requests set forth in this Supplemental Filing.

For the reasons stated above and supported in the prepared testimony, PG&E respectfully requests that the Commission issue a decision herein by the end of December, 2014 that will:

1. Approve PG&E's long-term residential electric rate design reform proposal, for rates to become effective by January 1, 2015; and
2. Grant such further relief as may be just and reasonable.

Respectfully Submitted,

CHRISTOPHER J. WARNER

By: /s/ Christopher J. Warner

CHRISTOPHER J. WARNER

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: February 28, 2014

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this verification for that reason. I have read the foregoing SUPPLEMENTAL FILING OF PACIFIC GAS AND ELECTRIC COMPANY FOR LONG-TERM RESIDENTIAL ELECTRIC RATE DESIGN REFORM (PHASE 1), and I am informed and believe that the matters therein are true and on the ground allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Francisco, California, this 28th day of February,
2014.

/s/ Trina A. Horner
TRINA A. HORNER
Vice President, Regulatory Proceedings & Rates
PACIFIC GAS AND ELECTRIC COMPANY

EXHIBIT A

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California
Office of Attorney General
1300 I St Ste 1101
Sacramento, CA 95814

and

Department of General Services
Office of Buildings & Grounds
505 Van Ness Avenue, Room 2012
San Francisco, CA 94102

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda	Mariposa	Santa Barbara
Alpine	Mendocino	Santa Clara
Amador	Merced	Santa Cruz
Butte	Modoc	Shasta
Calaveras	Monterey	Sierra
Colusa	Napa	Siskiyou
Contra Costa	Nevada	Solano
El Dorado	Placer	Sonoma
Fresno	Plumas	Stanislaus
Glenn	Sacramento	Sutter
Humboldt	San Benito	Tehama
Kern	San Bernardino	Trinity
Kings	San Francisco	Tulare
Lake	San Joaquin	Tuolumne
Lassen	San Luis Obispo	Yolo
Madera	San Mateo	Yuba
Marin		

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda	Concord	Healdsburg
Albany	Corcoran	Hercules
Amador City	Corning	Hillsborough
American Canyon	Corte Madera	Hollister
Anderson	Cotati	Hughson
Angels	Cupertino	Huron
Antioch	Daly City	Ione
Arcata	Danville	Isleton
Arroyo Grande	Davis	Jackson
Arvin	Del Rey Oaks	Kerman
Atascadero	Dinuba	King City
Atherton	Dixon	Kingsburg
Atwater	Dos Palos	Lafayette
Auburn	Dublin	Lakeport
Avenal	East Palo Alto	Larkspur
Bakersfield	El Cerrito	Lathrop
Barstow	Elk Grove	Lemoore
Belmont	Emeryville	Lincoln
Belvedere	Escalon	Live Oak
Benicia	Eureka	Livermore
Berkeley	Fairfax	Livingston
Biggs	Fairfield	Lodi
Blue Lake	Ferndale	Lompoc
Brentwood	Firebaugh	Loomis
Brisbane	Folsom	Los Altos
Buellton	Fort Bragg	Los Altos Hills
Burlingame	Fortuna	Los Banos
Calistoga	Foster City	Los Gatos
Campbell	Fowler	Madera
Capitola	Fremont	Manteca
Carmel	Fresno	Maricopa
Ceres	Galt	Marina
Chico	Gilroy	Martinez
Chowchilla	Gonzales	Marysville
Citrus Heights	Grass Valley	McFarland
Clayton	Greenfield	Mendota
Clearlake	Gridley	Menlo Park
Cloverdale	Grover Beach	Merced
Clovis	Guadalupe	Mill Valley
Coalinga	Gustine	Millbrae
Colfax	Half Moon Bay	Milpitas
Colma	Hanford	Modesto
Colusa	Hayward	Monte Sereno

Monterey
Moraga
Morgan Hill
Morro Bay
Mountain View
Napa
Newark
Nevada City
Newman
Novato
Oakdale
Oakland
Oakley
Orange Cove
Orinda
Orland
Oroville
Pacific Grove
Pacifica
Palo Alto
Paradise
Parlier
Paso Robles
Patterson
Petaluma
Piedmont
Pinole
Pismo Beach
Pittsburg
Placerville
Pleasant Hill
Pleasanton
Plymouth
Point Arena
Portola
Portola Valley
Rancho Cordova
Red Bluff
Redding
Redwood City
Reedley
Richmond
Ridgecrest
Rio Dell
Rio Vista
Ripon
Riverbank
Rocklin

Rohnert Park
Roseville
Ross
Sacramento
Saint Helena
Salinas
San Anselmo
San Bruno
San Carlos
San Francisco
San Joaquin
San Jose
San Juan
Bautista
San Leandro
San Luis Obispo
San Mateo
San Pablo
San Rafael
San Ramon
Sand City
Sanger
Santa Clara
Santa Cruz
Santa Maria
Santa Rosa
Saratoga
Sausalito
Scotts Valley
Seaside
Sebastopol
Selma
Shafter
Shasta Lake
Soledad
Solvang
Sonoma
Sonora

South
San Francisco
Stockton
Suisun City
Sunnyvale
Sutter Creek
Taft
Tehama
Tiburon
Tracy
Trinidad
Turlock
Ukiah
Union City
Vacaville
Vallejo
Victorville
Walnut Creek
Wasco
Waterford
Watsonville
West Sacramento
Wheatland
Williams
Willits
Willows
Windsor
Winters
Woodland
Woodside
Yountville
Yuba City